



# School Choice

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# Types of School Choice

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- Neighborhoods schools: students attend based on residency
- Privately-managed schools
  - Private schools
  - Public charter schools
- District-managed non-neighborhood schools accessed through intra- and inter-district choice programs
  - Magnet schools/programs
  - Open enrollment
  - No Child Left Behind (NCLB) school choice



# Intense debate surrounds school choice programs

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- Advocates argue that greater school choice will
  - allow greater innovation in schools
  - allow families to find strong matches for their child
  - improve student achievement
  - create healthy competitive pressure for traditional public schools
- However, opponents argue that greater school choice
  - increases racial/ethnic stratification
  - skims the best students from traditional public schools
  - reduces resources for traditional public schools
  - does not improve student achievement
- The forms of choice that receive the greatest amount of debate are **charter schools** and **vouchers**.



## My goal is to...

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- Survey the literature to draw insights into the effectiveness of charter and voucher programs
- Raise questions about how to implement voucher and charter policies drawing upon this literature
- Provide a Tennessee specific context for school choice

# **First, it is important to recognize that there could be multiple goals for school choice programs (and the goals are not consistent among all advocates)**

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- Goals (Levin and Belfield, 2003)
  1. Productive efficiency: refers to maximization of educational results (both direct and indirect effects) given a resource constraint
  2. Freedom of choice: maximizing individual benefits through strong matches between student needs and school services
  3. Equity: fairness of access
  4. Social cohesion: common educational experience

# In addition, these goals are not always overlapping and can create conflicts

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- Design features of funding, regulation, and support services can affect not only how well these goals are met, but can create conflict among the goals (Levin and Belfield, 2003).
  - For example:
    - Allowing families to add on to vouchers could enhance freedom of choice and possibly improve productive efficiency, but will hurt the goal of equity.
    - Public transportation could help improve freedom of choice and equity, but reduce productive efficiency.
- Design features may depend on specific preferences of policy makers.
- Researchers have focused primarily on the goal of **productive efficiency** and my review will also focus on this.

# Goal one: productive efficiency

## Conflicting conclusions among scholars who summarize the research

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- What conclusions one draws for the various school choice programs often “depend upon which experts one trusts.”
  - For example, in regards to direct effects for vouchers:
    - “Jay Greene ...argues that research shows unambiguously that vouchers have positive effects for students who receive them.”
    - “On the other hand, Princeton economist Cecilia Rouse and Chicago Federal Reserve economist Lisa Barrow characterize the evidence rather differently; last year, they concluded that most of the small gains made by voucher students are not statistically significant from zero.”

Quotes from Hess, (2010), “Does School Choice Work?” National Affairs



## Goal one: productive efficiency

### Why the differences in the general conclusions?

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- Some of the differences may be explained by researchers giving different weight to different studies and what a researcher views as a “substantial” effect, which may be colored by the initial claims of the advocates.
  - Many advocates sold school choice programs as a “silver bullet” of educational reform. So many researchers measure “success” of these programs relative to this standard. Others have an assessment that any statistically significant effect should imply a positive view of the program.
  - This is not to say, that in some cases, the results from some studies have not been substantial or that there are not examples of individual charter or private schools gaining impressive results.



# Goal one: productive efficiency

## Voucher direct effects

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- Voucher direct effects for students using the voucher
  - Studies examining test score effects across Cleveland, Milwaukee, D.C., as well as private scholarship programs in various cities
    - When focusing on these test scores, these studies show mixed results with some studies showing modest positive effects and others showing no effect (Metcalf, et al., 2003; Belfield, 2006; Witte, 2000; Greene et al., 1998; Rouse, 1998; Wolf et al., 2010; Witte et al., 2012; Bettinger and Slonim, 2006; Howell and Peterson, 2002; Myers et al., 2002; Krueger and Zhu, 2002)
    - However, there now have been a few studies that have examined non-test score outcomes such levels of earnings, high school graduation, and college attendance and found more consistent and substantial positive effects (Bettinger and Slonim, 2006; Cowen, et al, 2012; Wolf, et al., 2012)
      - While it is too early to draw strong conclusions, these results provide some evidence that voucher programs may have stronger effects on non-test score outcomes than test score outcomes



# Goal one: productive efficiency

## Charter school direct effects

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- Charter school direct effects for students attending charter schools
  - Studies examining test score effects across a wide array of states and cities
    - When focusing on test scores, again, these studies show mixed results with some studies showing modest positive effects and others showing no effect and even negative effects (Zimmer et al., 2003; Bifulco and Ladd, 2006; Sass, 2006; Hanushek, Kain, and Rivkin, 2007; Booker et al., 2007; Imberman, 2011).
    - However, these studies have generally found that student test scores improve as the schools mature.
  - Again, there now have been a few studies that have examined non-test score outcomes such as levels of altruism, high school graduation, and college attendance and found more consistent and substantial positive effects (Booker, et al., 2009; Booker, et al., 2011; Furgeson, et al., 2012; Angrist, et al., 2013; Dobbie and Fryer, 2013; Booker, et al., 2014)
    - As with the voucher literature, it is too early to draw strong conclusions, but these results provide some evidence that charters may have more consistent effects on non-test score outcomes than test score outcomes.

# Goal one: productive efficiency

## Voucher and charter school indirect effects (competitive effects and fiscal impacts)

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- Voucher indirect effects on student tests scores attending traditional public schools
  - Researchers have examined competitive effects in Florida, Milwaukee, Arizona, and D.C. and while many studies found positive effects, the results have not been uniform
- Charter school indirect effects of fiscal impacts and test scores
  - A number of researchers have documented fiscal challenges charter schools create for traditional public school districts in Minneapolis, Pennsylvania, and New York (IMO, 2013; Schafft, et al., 2013; Bifulco and Reback, 2014)
  - Research on competitive effects in Michigan, Texas, North Carolina, Florida, California, Ohio, New York, Philadelphia, Chicago have shown positive effects in some cases, but the majority of studies show no effect (Hoxby, 2003; Bettinger, 2005; Sass, 2006; Zimmer et al., 2009; Booker et al., 2008; Zimmer and Buddin, 2005; Winters, 2012; Imberman, 2007; Cremeta and Raymond, 2014)



# Goal one: productive efficiency

## Public resources

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- Research has pretty consistently found that charter schools received fewer per pupil public resources (Bifulco and Bulkley, Forthcoming)
  - Part of the explanation is that charter schools typically do not receive public resources for facilities.
  - However, many charter schools do receive private support.
  - Charter schools often also receive in-kind resources (e.g., transportation and special education services) from school districts and may not have some costs that local districts do (e.g., retirement benefits).
- Voucher amounts are often less than the public resources for traditional public schools (Zimmer and Bettinger, forthcoming)
  - Whether a student receives a voucher or the amount of the voucher is often means tested.



# Goal one: productive efficiency

## Policy design can create limitations

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- Policy features may reduce voucher and charter impact
  - For example, according to Hess (2010), the voucher programs in Washington and Milwaukee amount to less than 50% of district per pupil spending
    - Creates strong pressure for efficiency, but may constrain the private schools that can participate and hamstring the schools that do
  - In Washington, voucher program was capped at 3% of the district's student enrollment. Furthermore, as part of the compromise of adopting vouchers, the public schools were given additional funding, despite the fact that the district would have fewer students to educate
    - Reduces the competitive pressure the voucher program could create
- Hess (2010) ultimately concluded:
  - “It would seem, then, that school choice ‘works’ in some respects and in some instances — but that choice alone could never work as well as many of its champions have expected, and promised.”



## Goal two: freedom of choice

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- For vouchers, research has consistently shown parents more satisfied (Wolf, et al., 2010; Howell and Peterson, 2006)
  - Evidence suggest that the number of private schools expanded in Milwaukee with the introduction of vouchers (Levin and Belfield, 2003)
- For charter schools, to my knowledge, there has not been an analysis of parental satisfaction.

## Goal three: equity

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- Voucher programs are generally means tested and therefore, serve mostly low-income and minority students (Gill, et al., 2001; Zimmer and Bettinger, Forthcoming)
  - However, among the eligible population, there is some evidence that the mothers of the students that take advantage of the voucher are more educated than mothers of students who do not (Rouse, 1998; Witte, 1996; Metcalf, 1999; Gill et al., 2001).
- For charters, there have been several dimensions to the question of equity
  - For racial/ethnic analyses, the best studies have accounted for the non-random location of schools and have found mixed results. In general, they have not found much evidence that whites or Hispanics are moving to schools with greater shares of their same races/ethnicities, but they generally found some evidence that African Americans do (Booker et al., 2005; Bifulco and Ladd, 2007; Zimmer et al., 2009).
  - Examining sorting of students by ability studies have not found strong evidence that charter schools are “cream skimming” the best students (Booker et al., 2005; Zimmer et al., 2009).
  - Charter schools, are, however, serving a lower proportion of special education students (Zimmer et al., 2003; Winters, 2013; 2014).



## Goal four: social cohesion

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- For vouchers, one interesting study by Bettinger and Slonim (2006) found students using vouchers to be more altruistic than comparison group
  - Other empirical analysis have also found positive effects for other elements. In a review of the literature, Wolf (2007) found voucher students to have stronger civic values including political tolerance, volunteerism, political knowledge, political participation, social capital, and civic skills
- Little research has been conducted examining social cohesion outcomes within charter schools
  - One study examined behavioral outcomes of students before and after they switch to a charter school and found improvement in their behavior in charter schools (Imberman, 2011).





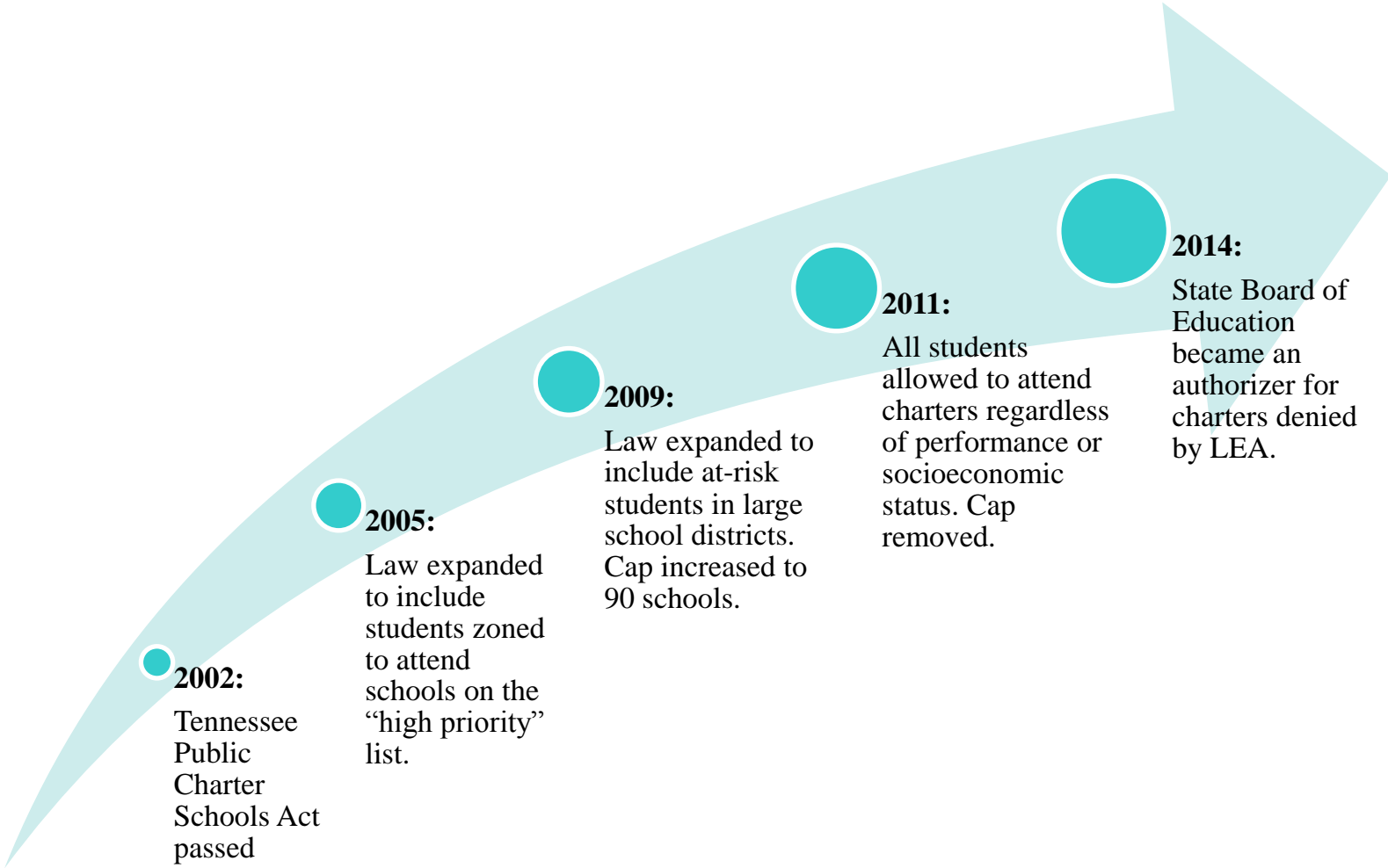
# Choice in Tennessee: Vouchers

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- While there is currently no public supported voucher plan, there has been a lot of conversation about vouchers within the past few years.
- 2012: Governor's Task Force on Opportunity Scholarships
  - Group of education stakeholders put together after hearing from researchers that “design matters”
  - Outcome of Task Force was a report to Governor with options for a scholarship program that fit Tennessee's context.
- 2013: Tennessee Choice & Opportunity Scholarship Act
  - Provided scholarships to low-income students zoned to attend schools performing in the bottom five percent.
- 2014: Tennessee Choice & Opportunity Scholarship Act
  - Similar proposal to 2013 but if yearly caps were not met, students who qualified for FRL and who attended a school in a district that had at least one school in the bottom five percent could apply for voucher through lottery.

# Choice in Tennessee: Charters

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A large, light blue arrow pointing from the bottom left towards the top right, serving as a timeline background. It contains five teal circles, each marking a year and a legislative event.

**2002:**  
Tennessee  
Public  
Charter  
Schools Act  
passed

**2005:**  
Law expanded  
to include  
students zoned  
to attend  
schools on the  
“high priority”  
list.

**2009:**  
Law expanded to  
include at-risk  
students in large  
school districts.  
Cap increased to  
90 schools.

**2011:**  
All students  
allowed to attend  
charters regardless  
of performance or  
socioeconomic  
status. Cap  
removed.

**2014:**  
State Board of  
Education  
became an  
authorizer for  
charters denied  
by LEA.



# Choice in Tennessee: Charters

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- There is an expanding charter sector in Tennessee
  - Achievement School District
  - Currently, there are 78 public charter schools in Tennessee serving roughly 19,000 students
- Research on Tennessee charters
  - Data from the Tennessee Charter Schools Annual Report put out by DOE shows that charters in Tennessee are serving a more impoverished and high minority population than traditional public schools.
  - Data from the CREDO National Charter School Study out of Stanford found that charter school students in Tennessee gain 86 days more in reading and 72 days more in math than their traditional public school peers.



## Summary

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- Overall, research has shown some positive results across the various goals for both charter and voucher programs, but I would not describe the impacts as a whole as revolutionary
- On the crucial goal of productive efficiency (direct and indirect effects of student outcomes), there is not consensus among all researchers that school choice programs are having meaningful positive effects on test scores
  - However, there seems to be a pattern emerging in the literature suggesting while these programs may not have consistent effects on test scores, they seem more likely to have effects on non-test score outcomes
- Many researchers agree that the school choice design matters and what and how well goals are met is a function of the policy put in place

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